

Taxes payable to
Insurance
Commissioner.

company or association paying the tax levied in this section. The license fees and taxes imposed in this section shall be paid to the Insurance Commissioner.

SEC. 209. *Obsolete.*

Domestic and
foreign corpora-
tions.

SEC. 210. *Franchise or Privilege Tax—Domestic and Foreign Corporations.*

Annual report
to Commissioner.

(1) Every corporation, domestic and foreign, incorporated or, by any act, domesticated under the laws of this State, except as otherwise provided in this article or schedule, shall, on or before the thirty-first day of July of each year, make and deliver to the Commissioner of Revenue in such form as he may prescribe a full, accurate and complete report and statement verified by the oath of its duly authorized officers, containing such facts and information as may be required by the Commissioner of Revenue as shown by the books and records of the corporation as at the close of its last calendar or fiscal year next preceding July thirty-first of the year in which report is due.

Verified.

Capital stock,
surplus and un-
divided profits
determined.

(2) Every such corporation taxed under this section shall determine the total amount of its issued and outstanding capital stock, surplus and undivided profits; no reservation or allocation from surplus or undivided profits shall be allowed other than for definite and accrued legal liabilities, except as herein provided; taxes accrued, dividends declared and reserves for depreciation of tangible assets as permitted for income tax purposes shall be treated as deductible liabilities. Every such corporation, the capital stock of which is inadequate for its business needs, which is a subsidiary of another corporation or closely affiliated therewith by stock ownership, shall include its indebtedness owed to, endorsed or guaranteed by the parent or affiliated corporation in the amount of capital stock, surplus and undivided profits in determining the basis for its franchise tax liability under this Act. Treasury stock shall not be considered in computing capital stock, surplus and undivided profits as basis for franchise tax. In determining the total amount of the capital stock, surplus and undivided profits, as herein defined, effect shall be given to the final judgment of any court approving a corporate reorganization entered prior to July first of any calendar year and since the close of the corporation's last calendar or fiscal year next preceding.

Deductible
liabilities.

Method of deter-
mining franchise
tax liability.

(3) After ascertaining and determining the amount of its capital stock, surplus and undivided profits, as herein provided, every foreign corporation permitted to do business in this State shall allocate to such business in this State a proportion of the total amount of its capital stock, surplus and undivided profits as herein defined, according to the following rules:

Rules for
determination.

Ratio of net
income appor-
tioned to State.

(A) If the principal business of a company in this State is manufacturing, or if it is any form of collecting, buying, as-